



Insurance Alliance of Michigan Position  
Tracking Uninsured Motorists  
Senate Bills 819, 820 & 1028  
As of June 5, 2018

The Insurance Alliance of Michigan (IAM) strongly opposes legislation, such as Senate Bills 819, 820 & 1028, that would create an Insurance Industry Committee on Motor Vehicle Administration (IICMVA) - based system for tracking uninsured motorists because it is duplicative and increases cost to auto insurance drivers in Michigan.

Michigan currently has in place an auto insurance verification system which requires auto insurance companies to download Vehicle Identification Numbers (VIN) twice a month to the Secretary of State. The Secretary of State, Michigan State Police and Michigan Department of Community Health all have access to the insurance data.

IAM opposes legislation that would create an IICMVA-based insurance verification system for these reasons:

- It is not materially more accurate than Michigan's existing insured VIN download system.
- It will not significantly lower the rate of uninsured motorists, as many law enforcement agencies, including the Michigan State Police will **not** issue a "no insurance" ticket due to the system's lack of complete data.
- There will be a significant cost to the insurance industry in programming and otherwise accommodating a move from the existing download system to the IICMVA-compliant system.

Senate Bills 819, 820 & 1028 would create an all new database that requires a download from auto insurance companies licensed to sell automobile insurance in this state to a private vendor without any evidence that there would be a significant decrease in uninsured drivers.

The implementation of such a system in Michigan could actually drive up the cost of auto insurance. Auto insurance companies would have to pay for setting up computer programs and hiring additional staff to meet the new reporting requirements. Also, companies that write a small amount of auto insurance in the state may choose to withdraw instead of expending the necessary funds for personnel and equipment to participate in new system.

IAM opposes Senate Bills 819, 820 & 1028 for being duplicative and costly for auto insurance companies and their customers.

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*June 2018*

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